

# Australian Masters Yield Fund No 5 Limited

(ACN 161 255 750)

## Notice of Annual General Meeting

Notice is given that the Annual General Meeting of Australian Masters Yield Fund No 5 Limited (**Company**) will be held as follows:

Date: **Friday, 9 November 2018**  
Time: **12:00pm (AEDT)**  
Venue: **Level 15, 100 Pacific Highway  
North Sydney NSW 2060**

### Ordinary Business

#### ***Financial Statements and Reports of the Directors and Auditor***

To receive and consider the Financial Statements of the Company and the Reports of the Directors and Auditor for the financial year ended 30 June 2018.

#### **1) Re-election of Director – Chris Brown**

To consider and, if thought fit, to pass the following Resolution as an **ordinary resolution**:

*“That Mr Chris Brown, who retires by rotation in accordance with the Company’s Constitution and, being eligible, offers himself for re-election, be re-elected as Director of the Company.”*

Note: please see the Explanatory Memorandum for a detailed biography on Chris.

#### **2) Remuneration Report**

To consider and, if thought fit, to pass the following Resolution as an **ordinary resolution**:

*“In accordance with Section 250R of the Corporations Act, the Company adopts the Remuneration Report as set out in the Directors’ Report.”*

Notes:

- (a) The vote on this Resolution is advisory only and does not bind the Directors or the Company.
- (b) The Company’s key management personnel and their closely related parties must not cast a vote on the Remuneration Report unless they are appointed in writing as a proxy for a Shareholder (other than a member of the Company’s key management personnel and their closely related parties) eligible to vote on the Resolution and that proxy specifies how to vote on the Resolution.
- (c) The Chairman may cast a vote on the Remuneration Report if appointed in writing as a proxy for a Shareholder (other than a member of the Company’s key management personnel and their closely related parties) eligible to vote on the Resolution and where that proxy does not specify how to vote on the Resolution only if the proxy form expressly authorises the Chairman to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the key management personnel for the Company.
- (d) The Chairman will vote all undirected proxies in favour of this Resolution. If you wish to vote “against” or “abstain” you should mark the relevant box in the attached proxy form.

## Special Business

### 3) Sixth Return of Capital

To consider and, if thought fit, to pass the following Resolution as an **ordinary resolution**:

*“That, for the purposes of Section 256C(1) of the Corporations Act 2001 and for all other purposes, the reduction of the share capital of the Company by an amount of up to \$10,381,350 applied equally against each Share on issue in the Company on the Sixth Record Date is approved.”*

### 4) Seventh Return of Capital

To consider and, if thought fit, to pass the following Resolution as an **ordinary resolution**:

*“That, for the purposes of Section 256C(1) of the Corporations Act 2001 and for all other purposes, the reduction of the share capital of the Company by an amount of up to the aggregate of:*

- (a) *\$3,000,000; and*
- (b) *that part of the capital reductions approved for payment to Shareholders under Resolution 3 or in respect of Previous Capital Returns that was not in fact returned to Shareholders in accordance with the relevant resolution (if any),*

*applied equally against each Share on issue in the Company on the Seventh Record Date is approved.”*

### All Resolutions will be by poll

In accordance with clause 5.7(b)(i) of the Constitution, the Chairman intends to call a poll on each of the Resolutions proposed at the Meeting. Each Resolution considered at the Meeting will therefore be conducted by a poll, rather than on a show of hands. The Chairman considers voting by poll to be in the interests of the Shareholders as a whole and ensures the views of as many Shareholders as possible are represented at the Meeting.

### Other Information

An Explanatory Memorandum accompanies and forms part of this Notice of Annual General Meeting.

All Shareholders should read the Explanatory Memorandum carefully and in its entirety. Shareholders who are in doubt regarding any part of the business of the Meeting should consult their financial or legal adviser for assistance.

### Proxies

A Shareholder entitled to attend and vote at this Meeting is entitled to appoint not more than 2 proxies to attend and vote in his/her stead.

A proxy need not be a Shareholder of the Company.

If the Shareholder appoints 2 proxies, the Shareholder may specify the proportion or number of votes each proxy is entitled to exercise. If no proportion or number of votes is specified, each proxy may exercise half of the votes. If the specified proportion or number of votes exceed that which the Shareholder is entitled to, each proxy may exercise half of the Shareholder's votes. Any fractions of votes brought about by the apportionment of votes to a proxy will be disregarded.

On a poll, each proxy or attorney may only exercise votes in respect of those Shares or voting rights the proxy or attorney represents.

If you wish to indicate how your proxy should vote, please mark the appropriate boxes on the proxy form provided with this Notice of Annual General Meeting. If you mark the abstain box for a particular Resolution you are directing your proxy not to vote on your behalf and your Shares will not be counted in computing the required majority on a poll. If you do not mark a voting instructions box in respect of a particular Resolution, you are directing your proxy to vote as he or she decides, subject to any voting exclusions that apply to the proxy.

Proxies must be:

- (a) lodged by posting them or delivering them by hand to the address specified below; or
- (b) received at the fax number specified below; or
- (c) registered online at [www.votingonline.com.au/amyf5agm2018](http://www.votingonline.com.au/amyf5agm2018);

not later than 48 hours before the Meeting i.e. 12:00pm (AEDT) on Wednesday, 7 November 2018.

Address: Boardroom Pty Limited, GPO Box 3993, Sydney NSW 2001, Australia

Fax Number: +61 2 9290 9655

#### **Entitlement to Vote**

In accordance with Section 1074E(2)(g)(i) of the Corporations Act and Regulation 7.11.37 of the Corporations Regulations, the Company has determined that for the purposes of the Meeting all Shares in the capital of the Company will be taken to be held by the persons who held them as registered holders at 7:00pm (AEDT) on Wednesday, 7 November 2018. Accordingly, Share transfers registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

#### **By order of the Board**

**Hannah Chan**  
**Company Secretary**  
**9 October 2018**

**Australian Masters Yield Fund No 5 Limited**  
**(ACN 161 255 750)**  
**Explanatory Memorandum**

This Explanatory Memorandum relates to the Annual General Meeting of Australian Masters Yield Fund No 5 Limited (**Company**) to be held at **Level 15, 100 Pacific Highway, North Sydney NSW 2060** on **Friday, 9 November 2018 at 12:00pm (AEDT)**.

**Ordinary Business**

**Financial Report and Reports of the Directors and Auditor**

This item allows Shareholders the opportunity to consider the Financial Report, Directors' Report and Auditor's Report of the Company. Under Section 317 of the Corporations Act, the Company is required to lay these three reports that together comprise the Company's Annual Report before its Shareholders at its Annual General Meeting.

**Resolution 1. Re-election of Director – Chris Brown**

Resolution 1 provides for the re-election of Mr Chris Brown as Director in accordance with the Company's Constitution and the Listing Rules. See below for details of Chris's background.

Under Listing Rule 14.4 and 6.7 of the Company's Constitution, a director of an entity must not hold office (without re-election) past the third annual general meeting following the director's appointment or 3 years, whichever is longer.

**Chris Brown**

Chris is a director of the Australian Masters Yield Fund Series and serves as Managing Director and Chief Strategy Officer at Evans Dixon Limited. Prior to joining the firm, Chris was an Executive Director at UBS AG in the Investment Banking Division in Sydney. During his eight years at UBS, he provided capital markets and M&A advice to many different public and private companies in Australia and overseas. Chris specialised in providing this advice to industrial, utility, infrastructure, property and financial companies. Chris spent several years in the UBS Mergers & Acquisitions Group in New York working on transactions in chemicals, healthcare, consumer products, media, telecoms, technology, insurance and utilities.

Before joining UBS, Chris also worked in the Investment Banking division of ABN AMRO, as well as for a Sydney based property funds management company and a chemical engineering and design company. Chris has a Bachelor of Chemical Engineering with 1st class honours and a Bachelor of Commerce, both from the University of Sydney.

**Resolution 2. Remuneration Report**

Resolution 2 provides Shareholders the opportunity to vote on the Company's remuneration report (**Remuneration Report**). The Remuneration Report is contained in the Directors' Report. Due to the relatively small size of the Company and its operations, the Board does not consider it appropriate, at this time, to form a separate committee to deal with the remuneration of Directors. Under the Company's Constitution, each Director may be paid remuneration for ordinary services performed as a Director. However, Alex MacLachlan, Chris Brown and Warwick Keneally have agreed not to be paid any remuneration for the services they perform as Directors. Under Section 250R(2) of the Corporations Act, the Company must put the adoption of its Remuneration Report to a vote at its annual general meeting.

This vote is advisory only and does not bind the Directors or the Company.

The Board will consider the outcome of the vote and comments made by Shareholders on the Remuneration Report at the Annual General Meeting when reviewing the Company's remuneration

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policies. If 25% or more of the votes that are cast are voted against the adoption of the Remuneration Report at two consecutive annual general meetings, at the second of those annual general meetings Shareholders will be required to consider and, if thought fit, pass an ordinary resolution (a “spill resolution”) that another meeting be held within 90 days at which all of the Directors, other than the Managing Director, seek re-election to the Board. Key management personnel (including Directors) and their closely related parties must not cast a vote on the Remuneration Report, other than as holders of directed proxies for Shareholders eligible to vote on Resolution 2. The Chairman may cast a vote on the Remuneration Report if appointed in writing as a proxy for a Shareholder eligible to vote on Resolution 2 and where that proxy does not specify how to vote on the Resolution only if the proxy form expressly authorises the Chairman to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the key management personnel for the Company. The Chairman will vote all undirected proxies in favour of this Resolution. If you wish to vote “against” or “abstain” you should mark the relevant box in the attached proxy form.

The Company encourages all Shareholders to cast their votes on this Resolution.

## Special Business

### Resolutions 3 and 4 – Returns of Capital to Shareholders

Resolutions 3 and 4 authorise the Company to undertake reductions of capital to return up to a maximum of \$13,381,350 to Shareholders over the period to and including May 2019. Resolutions 3 and 4 permit these amounts to be returned under the reductions of capital to be approved by Shareholders at this Meeting.

Cash to fund the Sixth Capital Return and the Seventh Capital Return (together **Capital Returns**) will be drawn from the proceeds received at redemption or sale of debt instruments held within the Company’s portfolio over the period to and including March 2019 (**Debt Instruments**) and any residual capital retained by the Company.

The amounts to be returned are expressed as maximum amounts as the actual amounts to be returned may be reduced having regard to cashflow requirements of the Company and the timing of receipt of payments in respect of the Debt Instruments. The Company has employed a similar procedure in securing authority to return capital at previous general meetings.

#### *The Resolutions*

Resolution 3 seeks Shareholder approval pursuant to Section 256C(1) of the Corporations Act for a capital reduction and return to Shareholders of up to a maximum of \$10,381,350. If \$10,381,350 is returned to Shareholders, this will represent a return of approximately \$10.27 per Share (based on the capital structure as at the date of this Explanatory Memorandum). This represents the portion of the redemption monies to be received on redemption of the Debt Instruments on 27 November 2018 that reflects the consideration paid to acquire those Debt Instruments (**Sixth Capital Return**).

Resolution 4 seeks Shareholder approval pursuant to Section 256C(1) of the Corporations Act for authorisation to effect a further separate capital reduction and return to Shareholders. This will represent a return of up to a maximum of \$3,000,000 together with any shortfall in payment of the Sixth Capital Return. If \$3,000,000 is returned to Shareholders, this will represent a return of approximately \$2.97 per Share (based on the capital structure as at the date of this Explanatory Memorandum). This represents the portion of the redemption monies to be received on redemption of the Debt Instruments on 19 March 2019 that reflects the consideration paid to acquire those Debt Instruments (**Seventh Capital Return**).

For the purposes of the Corporations Act, the proposed Capital Returns will be treated as an “equal” reduction of capital and requires approval by ordinary resolution of Shareholders in general meeting.

## Reasons for the Capital Returns

### *Sixth Capital Return*

On 27 November 2018, debt securities issued by Anglo American Plc (**AAL Bonds**) are scheduled to mature in accordance with their terms. Total consideration paid for the AAL Bonds was \$10,381,350.

Consistent with disclosures in the Information Memorandum and Prospectus, it is proposed that up to a maximum of \$10,381,350, being the consideration paid to acquire the AAL Bonds will be paid from the proceeds at maturity to Shareholders by way of a return of capital together with any shortfall in payment of Previous Capital Returns.

### *Seventh Capital Return*

On 19 March 2019, debt securities issued by Insurance Australia Group Ltd (**IAG Bonds**) are eligible to be called. These bonds are scheduled to mature on 19 March 2040. As these bonds may be paid back at the call date, which we anticipate, we are seeking approval to return this capital. If the bonds are not called by the issuer, they will be repaid on maturity or sale. Total consideration paid for the IAG Bonds was \$3,000,000.

Consistent with disclosures in the Information Memorandum and Prospectus, it is proposed that up to a maximum of \$3,000,000, being the consideration paid to acquire the IAG Bonds, will be paid from the proceeds to Shareholders by way of a return of capital together with any shortfall in payment of the Previous Capital Returns.

Based on the maturity and/or call dates and redemption proceeds, the maximum amount that may be distributed to Shareholders under the Capital Returns is set out below:

Capital Return	Period to	Maximum Amount to be Returned*
Sixth Capital Return	December 2018	\$10,381,350
Seventh Capital Return	May 2019	\$3,000,000

\* Excludes any amounts related to Previous Capital Returns

The precise amount to be returned to Shareholders under the Capital Return cannot be specified at this time as:

1. Payment of the Capital Return will be dependent on receipt of redemption or sale proceeds of Debt Instruments.
2. The Corporations Act provides that a capital return may only be undertaken with the prior approval of Shareholders if the return:
  - (a) is fair and reasonable to Shareholders of the Company as a whole; and
  - (b) the return does not materially prejudice the ability of the Company to pay its creditors.

The funds received may be required to meet ongoing costs of the Company. These costs may include tax payable on interest or capital gains received in respect of the Debt Instruments as well as ongoing management fees and operating costs. The Company may need to retain some funds received at redemption of Debt Instruments to meet these ongoing costs.

Unless appropriate cash reserves are retained, the Company would be required to liquidate other Debt Instruments which, if held to maturity, would be expected to provide a better financial return for the

Company. To do so would not, in the view of the Directors, be fair and reasonable to Shareholders as a whole.

Accordingly, the amounts set out in Resolutions 3 and 4 represent the maximum amount that the Company may return to Shareholders under the Capital Returns. The Company intends to return as much of the cash authorised to be returned under Resolutions 3 and 4 as possible, having regard to the above constraints.

If the Company is unable, for any reason, to pay the maximum amount of the capital return approved by Shareholders, it may pay that sum as part of a subsequent Capital Return.

The Board proposes to announce the actual amount to be returned to Shareholders under the Capital Return no later than 5 business days prior to the relevant record date.

Shareholder approval for the Capital Return is sought at this Meeting for administrative convenience and to avoid incurring additional costs of convening separate meetings to approve the Capital Return separately.

### **Payment of dividends**

The Directors anticipate that interest income, together with the profit realised on maturity of the Debt Instruments, net of taxes and expenses, will be distributed to Shareholders by way of dividend. The Corporations Act states that dividends need not be paid out of profits of the Company. It is anticipated that dividend payments will be made prior to, or around the time of the anticipated capital returns.

### **Who will participate in the Capital Returns**

Subject to Shareholder approval, the distribution resulting from the Sixth Capital Return and Seventh Capital Return will be made to Shareholders, pro rata to the number of Shares held by each Shareholder at the Sixth Record Date and Seventh Record Date. These Capital Returns are intended to be paid on or around 14 December 2018 and 20 May 2019 respectively.

If the Capital Returns are not approved, the excess cash will be retained by the Company or utilised as the Board considers appropriate.

### **Tax treatment of Capital Returns**

The following is a broad outline of the tax consequences for Shareholders associated with the Capital Returns. This outline is not exhaustive of all possible income tax considerations that could apply to a particular Shareholder.

All Shareholders should consult their own independent professional tax advisers regarding the tax consequences of the Capital Returns. There are a number of limitations to the outline including that:

1. it applies only to Shareholders who are Australian residents for income tax purposes. It does not cover the tax treatment for any other classes of taxpayers including individuals who are non-residents of Australia for tax purposes, insurance organisations, superannuation funds, trusts or employees of the Company who acquired their Shares in respect of their employment;
2. it applies only where Shareholders hold their Shares on capital account. It does not apply where the Shares are held on revenue account (e.g. Shares held by Shareholders who trade in securities or hold Shares as trading stock); and
3. it is based on Australian tax law in effect at the date of this Explanatory Memorandum. It does not consider or anticipate any changes in the law (including changes to legislation, judicial authority or administrative practice).

The Company intends to structure each proposed Capital Return so that they are treated as a return of capital, and not as a dividend, for income tax purposes. As discussed above, the proposed Capital

Returns consists of the consideration paid for each Debt Instrument as they mature or are redeemed or are sold, any profits made on Debt Instruments acquired at a discount to face value will be paid out as dividends. The Company intends to pay a dividend distributing retained profits to Shareholders prior to or at the same time, as it affects each Capital Return.

Shareholders may be liable to pay capital gains tax (**CGT**) in relation to the Capital Returns, however, this will depend on Shareholders' individual circumstances. An outline of the potential CGT consequences for Shareholders is as follows:

1. if the amount of any of the Capital Returns is less than or equal to the Shareholder's CGT cost base of the Shares they hold, the CGT cost base will be reduced by the amount of the Capital Return, but it cannot be reduced below nil;
2. if the Capital Returns are more than the Shareholder's CGT cost base, the CGT cost base will be reduced to nil, and the excess amount of the Capital Return will be included in the Shareholder's taxable income calculation as a capital gain; and
3. if applicable, any capital gain can be treated as a discount capital gain where the Shares were purchased by the Shareholder at least 12 months prior to the payment of the Capital Returns, and the other requirements of the discount capital gains provisions have been satisfied.

The Company and its advisers do not accept any liability or responsibility in respect of any statement concerning the taxation consequences of the Capital Returns or in respect of the taxation consequences themselves.

### Effect on the Company

As at the date of this Notice, the Company had 1,011,041 Shares on issue. After the proposed Capital Returns, the number of Shares on issue will remain the same but the capital of the Company will be reduced by the Capital Return amounts.

The anticipated effect of the Capital Returns on the Company is illustrated in the unaudited pro forma Statement of Financial Position set out below. This unaudited pro forma Statement of Financial Position is based on the audited Statement of Financial Position for the Company as at 30 June 2018.

This table is not a consolidated Pro Forma Statement of Financial Position prepared in accordance with the Corporations Act, the Corporations Regulations, Accounting Standards or any other mandatory financial reporting requirements in Australia. It is provided only to illustrate the anticipated impact on the Company of completion of the Capital Returns. The specific assumptions taken in preparing the tables are set out in the notes below the tables.

### Illustrative unaudited Pro Forma statement of financial position

(A\$'000 unless otherwise stated)

	Statement of Financial Position at 30 June 2018	Pro forma Statement of Financial Position - Sixth Capital Return	Pro forma Statement of Financial Position - Sixth & Seventh Capital Return
<b>Assets</b>	\$61,157	\$50,775	\$47,775
<b>Liabilities</b>	(\$293)	(\$296)	(\$299)
<b>Net Assets</b>	\$60,864	\$50,479	\$47,476
<b>NTA Per Share</b>	\$60.20	\$49.93	\$46.96

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1. The column headed "Statement of Financial Position 30 June 2018" is based on the audited Statement of Financial Position of the Company as at 30 June 2018.
  2. The column headed "Pro Forma Statement of Financial Position - Sixth Capital Return" is based on column 1 and has been prepared as if the Sixth Capital Return of \$10,381,350 had been completed on 30 June 2018.
  3. The column headed "Pro Forma Statement of Financial Position - Sixth & Seventh Capital Return" is based on column 1 and has been prepared as if the Sixth & Seventh Capital Returns of \$13,381,350 had been completed on 30 June 2018.
  4. All amounts assume that there are 1,011,041 Shares on issue being the number on issue on 30 June 2018.
  5. The above table does not take into account future dividends. Future dividends will distribute the interest paid on the underlying Debt Instruments and any profits made on Debt Instruments purchased at a discount less any expenses and taxes of the Company.
  6. The above assumes that the Company had paid transaction costs associated with each Capital Return of approximately \$3,000 on 30 June 2018 relating to legal and tax advice and registry fees.

As noted at point 5 above, the above table does not take into account dividends to be paid following 30 June 2018. Interest will continue to accrue and be paid on Debt Instruments until they mature and are redeemed. Accordingly, the asset base of the Company will increase as interest payments are received after 30 June 2018 and will be reduced by future dividend payments.

The Company intends to seek Shareholder approval in the future for additional capital returns for Debt Instruments that mature beyond March 2019.

Under the Management Agreement, the Company pays a management fee of the equivalent of 0.65% (inclusive of GST) per annum of the value of the portfolio. This fee is payable in advance and calculated on the basis of the value of the portfolio on 30 June each year. As a result of the Capital Return, the management fee payable in respect of subsequent financial years will be reduced by an amount of 0.65% (inclusive of GST) per annum of the amount of the Capital Return.

As the management fee for the financial year ending 30 June 2019 is payable in advance, the Capital Return will have no effect on the management fee payable by the Company in respect of the financial year ending 30 June 2019.

### **Trading in Shares**

Shares were issued under the Prospectus at an issue price of \$100.00 per Share. Official quotation of the Shares on the ASX commenced on 5 August 2015. The highest and lowest prices at which the Shares have traded on the ASX between 5 August 2015 and 17 September 2018 were \$84.81 (13 August 2015) and \$49.01 (15 August 2018) respectively. A total of 102,219 Shares have traded on the ASX in this period representing turnover of approximately 3.6% of the Company's total Shares outstanding on an annualised basis. The Company publishes net tangible asset backing of the Shares on a monthly basis to assist Shareholders in valuing their investment. Between these dates, approximately \$40.1 million of capital has been returned representing \$39.63 per Share.

### **Alternative return structures**

The Directors consider the use of a capital return to be the most appropriate mechanism to return surplus capital to members for the following reasons:

- (a) the capital return procedure was initially outlined to potential investors in the Prospectus and it was confirmed in the Information Memorandum. The Directors consider that Shareholders will

have invested in the Company on the understanding that a series of capital returns would be proposed in the manner outlined in this Notice and Explanatory Memorandum;

- (b) the combination of the Capital Return and payment of a dividend provides the Company with the opportunity to make available the benefits of franking credits on dividends generated from the operations of the Company to the extent that they are available without adding to the income tax liability of Australian resident shareholders receiving further cash from the Company.

### **Why you might vote against the Capital Returns**

The Directors unanimously recommend that Shareholders vote in favour of the Capital Returns. However, some reasons why a Shareholder may choose to vote against Resolutions 3 and 4 approving the Capital Return include the following:

- (a) a Shareholder may consider that the Company is more likely to generate a better financial return through reinvestment of funds realised on maturity of Debt Instruments than through direct investment by the Shareholder; and
- (b) Shareholders who are not Australian residents for tax purposes may not be able to take advantage of the franking credits to be provided by way of dividend or the benefit in the reduction in the CGT cost base resulting from a Capital Return.

### **Recommendation of Directors**

The Directors are of the opinion that the proposed Capital Returns are fair and reasonable to Shareholders as a whole and do not materially prejudice the Company's ability to pay its creditors. Accordingly, the Directors unanimously recommend that Shareholders vote in favour of Resolutions 3 and 4.

No Director will receive any payment or benefit of any kind as a consequence of the Capital Return other than as a Shareholder of the Company.

### **Other material information**

Other than in this Explanatory Memorandum, there is no other information known to the Company that is material to the decision whether or not to vote in favour of Resolutions 3 and 4 which has not previously been disclosed to Shareholders.

Pursuant to Section 256C(5) of the Corporations Act, copies of this Notice and Explanatory Memorandum have been lodged with the Australian Securities and Investments Commission.

## Glossary

**Accounting Standards** means Australian Accounting Standards.

**ASX** means the Australian Securities Exchange Limited (ACN 008 624 691).

**Board** means the board of Directors.

**Bonds** means the corporate bonds held in the Company's portfolio.

**Capital Returns** means the returns of capital intended to be undertaken by the Company following the passage of Resolution 3 and Resolution 4.

**Chairman** means the chairman of the Company.

**Company** means Australian Masters Yield Fund No 5 Limited (ACN 161 255 750).

**Constitution** means the constitution of the Company as amended from time to time.

**Corporations Act** means the *Corporations Act 2001 (Cth)*.

**Corporations Regulations** means the *Corporations Regulations 2001 (Cth)*.

**Director** means a director of the Company.

**Explanatory Memorandum** means this explanatory memorandum to the Notice of Annual General Meeting.

**Information Memorandum** means the information memorandum for the Company dated 22 June 2015.

**Listing Rules** means the listing rules of the ASX.

**Manager** means Walsh & Company Asset Management Pty Limited (ACN 159 902 708).

**Management Agreement** means the management agreement between the Company and the Manager.

**Meeting or Annual General Meeting** means this annual general meeting.

**Notice** means this notice of meeting.

**Official List** means the official list of the ASX.

**Previous Capital Returns** means Capital Returns previously approved for return by Shareholders at a company meeting – i.e. Sixth Capital Return.

**Prospectus** means the prospectus for the Company dated 27 November 2012.

**Seventh Record Date** means 10 May 2019.

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a registered shareholder of the Company.

**Sixth Record Date** means 7 December 2018.